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November 5, 2012

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

Re: Application Regarding the Acquisition of Progress Energy, Incorporated by Duke Energy Corporation and Merger of Progress Energy Carolinas, Incorporated and Duke Energy Carolinas, LLC
Docket No.: 2011-158-E – Order No.: 2012-517

Dear Ms. Boyd:

This letter is to inform the Public Service Commission of South Carolina (the "Commission") that the South Carolina Office of Regulatory Staff ("ORS") has reviewed and discussed the filing in the above-referenced docket with Duke Energy Carolinas, LLC's ("Duke") and Progress Energy Carolinas, Inc.'s ("Progress") personnel. Based on the information provided, ORS has no objection to Duke's and Progress' evaluation of the service quality measures used in South Carolina.

Instead of a rulemaking, Duke and Progress are proposing to provide (1) their System Average Interruption Duration Index ("SAIDI"), which measures the total average time a customer is interrupted, and (2) their System Average Interruption Frequency Index ("SAIFI"), which measures the average frequency of sustained interruptions on a quarterly basis to ORS. SAIDI and SAIFI are generally accepted in the industry and ORS uses these numbers as a measure of service quality.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

Courtney D. Edwards

cc: All Parties of Record (via e-mail)